

Murree Brewery Co. Ltd. Rawalpindi

Condensed Interim Financial Information for the
2nd Quarter and six months period ended 31st December, 2020

**FOR THE 1st TIME IN PAKISTAN
CARBONATED & STILL WATER
AVAILABLE IN GLASS BOTTLE**



Available in 750ml & 330ml Glass Bottles



Murree Brewery Company Limited



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Murree Brewery Company Limited



VISION STATEMENT

Our office is in the market

MISSION STATEMENT

We the people of Murree Brewery Co. Ltd. make our personal commitment to first understand our customers' requirement then to meet and exceed their expectations, by performing the correct tasks on time and every time through:

C ontinuous improvement

A lignment of our missions and goals

R esponsibility and respect of our jobs and each other

E ducate one another

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Chief Executive Officer/Director
Directors

Ch. Mueen Afzal
Mr. Isphanyar M. Bhandara
Mr. Aamir H. Shirazi
Mrs. Goshi M. Bhandara
Prof. Khalid Aziz Mirza
Mr. Shahbaz Haider Agha
Mr. Pervaiz Akhtar
Ms. Jahanara Sajjad Ahmad

PRINCIPAL OFFICERS

Chief Financial Officer
Company Secretary
Head of Internal Audit
Deputy General Manager (Brewery Division)
Business Manager (Murree Glass)
Plant Manager (// //)
General Manager (Tops)
Factory Manager (Murree Sparkletts)

Mr. Mazhar Iqbal
Ch. Waqar A. Kahloon
Malik Saqib
Mr. Fakher-e-Mahmood
Mr. Arshad Zaheer
Mr. Zaka ud Din
Mr. Talat Yaqoob
Mr. Fayyaz Ahmad

AUDIT & RISK MANAGEMENT COMMITTEE

Mr. Shahbaz Haider Agha (Chairman)
Ch. Mueen Afzal (Member)
Prof. Khalid Aziz Mirza (Member)
Mrs. Goshi M. Bhandara (Member)
Ms. Jahanara Sajjad Ahmad (Member)

HUMAN RESOURCE & REMUNERATION AND NOMINATION COMMITTEE

Prof. Khalid Aziz Mirza (Chairman)
Ch. Mueen Afzal (Member)
Mr. Aamir H. Shirazi (Member)
Mr. Isphanyar M. Bhandara (Member)
Mr. Pervaiz Akhtar (Member)

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants.
6th Floor, State Life Bldg,
Jinnah Avenue, Islamabad.

PRINCIPAL BANKERS

Askari Commercial Bank Ltd, Islamabad
Standard Chartered Bank, Islamabad
National Bank of Pakistan, Rawalpindi / Hattar
Bank Alfalah Ltd, Rawalpindi
The Bank of Khyber, Hattar
Allied Bank Ltd, Rwp/Lhr/Gujranw/F.Abad/Multan
Sahiwal/Murree/Sargodha
United Bank Limited, Islamabad.

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

REGISTERED OFFICE

Murree Brewery Company Limited
3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax: 051-5584420
E-mail: murree.brewery@murreebrewery.com
murbr@cyber.net.pk
Website: www.murreebrewery.com

(v) 164/B, Near Winter Time,
Small Industries Estate, Sahiwal
Mobile: 0335-5611125
0321-6954001

(vi) Ratti Gali, Ayoubia Road, Murree
Mob: 0335-5111047

(vii) Plot No. 28-B Small
Industrial Estate Opp.
Siddique Kantawala Main
Lahore Road, Sargodha
Mob: 0335-5611103

FACTORIES

(1) **Murree Brewery Company Limited**

3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax: 051-5584420

(2) **Tops Food & Beverages**

(a) 3-National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax: 051-5565461

(b) Plot No. 14/1, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K)
Tel: 0995-617013, 617493, 617494

(3) **Murree Sparkletts**

Plot No. 10/2, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K)

(4) **Murree Glass**

Plot No. 24, Phase III, Industrial Estate,
Hattar, District Haripur (K.P.K)
Tel: 0995-617233, 0995-617188

DISTRIBUTION OFFICES

(i) Tops Food & Beverages
121/3, Industrial Estate, Kot Lakhpat,
Lahore. (Tel: 042-5117501)

(ii) Aziz Chowk Pindi Bypass,
Galla Sonica Industry, G.T.Road,
Gujranwala (Tel: 055-3891571)

(iii) Mansoor Abad
Near Sant Sing Railway Gate
Jumra Road, Faisalabad
Tel: (041-8522182 & 2420580)

(iv) Mohallah Noorpura
Bahawalpur Bypass Road, Multan
Ph: 061-4232964
Mob: 0345-8597704

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House 99-B, Block 'B' SMCHS, Main
Shahra-e-Faisal Karachi-74400,
Tel: +(92-21)111-111-500
Fax: +(92-21)034326053, Email: info@cdcsrsl.com

LEGAL ADVISORS

(i) Hamid Law Associates,
409-410, Alfalah Building,
Shahrah-e-Quaid-e-Azam
Lahore. Tel: 042-6301801

(ii) Mr. Umer Abdullah (Advocate)
Chaudhary Law Associates
Advocate High Court
Flats No. 5 & 6, 1st Floor, MICCOP Center,
1. Mozang Road, Lahore.
Cell # 0300-8430877, 0345-8412222

(iii) Mr. Muhammad Ilyas Sheikh
House No. 37, Street No. 02, Mohalla
Phase 5, Bahria Town, Islamabad.

TAX ADVISOR

Naseem Zafar Associates
16-A, First Floor, Sadiq Plaza,
69-Shahrah-e-Quaid-e-Azam, Lahore
Tel: 042-6360275-6

CORPORATE ADVISOR

RS Corporate Advisory
First Floor, Plot No. 62, Central Commercial
Area (CCA), Block-T, Phase -2, Defence
Housing Authority, Lahore Cantt-Pakistan.
Tel: +92 42 357 47 904
Website: www.rscorporate.com

Murree Brewery Company Limited

DIRECTORS' REVIEW

The Board of Directors of Murree Brewery Company Limited takes pleasure in presenting their review on financial performance and affairs of the Company together with the Auditor's reviewed financial statements for the six months period ended 31st December, 2020.

A brief review of the Company's financial performance for the six months period against the corresponding period of the last year is as follows:-

FINANCIAL OVERVIEW & HIGHLIGHTS

				Rs. in million	
Sales revenue (Net)	increased by	11.3%	from	4,742	to 5,280
Gross Profit	increased by	2.3%	from	1,395	to 1,428
Profit before Taxation	decreased by	4.3%	from	880	to 842
Profit after Taxation	decreased by	2.2%	from	589	to 575
Earnings per share	decreased by	2.2%	from	Rs. 21.28	to Rs. 20.80

The profitability of the Company has decreased overall during the half year ended 31st December, 2020 as compared to the corresponding period of the last year.

IMPORTANT ISSUES:

i. Gas Infrastructure Development Cess (GIDC):

The honorable Supreme Court of Pakistan decided the matter of GIDC in favor of the Government on August 13, 2020. Subsequent to the decision, review petitions were filed by the companies but Supreme Court of Pakistan upheld its earlier decision. Company has already provided for the GIDC expense in its financial statements on June 30, 2020, which is now being paid in installments as directed by the Supreme Court of Pakistan.

ii. Tax on water consumption for commercial use:

The Supreme Court of Pakistan announced taxation of the beverage industry @ Re. 1 per liter of surface and underground water which would not be passed on to the consumers. The order issued effective from December 2018 applies to all industries consuming water in Pakistan the rules for which have not yet been issued. The beverage industry has lodged a review petition, which is pending in the Supreme Court.

SECOND INTERIM DIVIDEND:

The Directors have today declared second interim cash dividend @100% (i.e. Rs. 10 per share) for the year ending 30th June, 2021. This is in addition to 1st interim cash dividend already paid @50% (i.e. Rs. 5 per share).

Murree Brewery Company Limited

CONTRIBUTION TO NATIONAL EXCHEQUER:

Your company contributed a sum of Rs. 2,112 million in the six months period ended 31st December, 2020 (31st December, 2019: Rs. 2,812 million) to the Government exchequer on account of duty and taxes.

CORPORATE SOCIAL RESPONSIBILITY:

Murree Brewery Company is one of Pakistan's oldest companies and it fully meets its obligation as a social corporate citizen. The Company always takes constructive interest in social matters which may not be directly related to the business and is giving donations to charitable institutions, hospitals and trusts. During the half year 2020-21, the Company has donated Rs. 2.23 million to various welfare organizations.

The Company continues to make available the use of its property to Association for Special Persons (DARAKHSHAN). Presently 74 disabled women are getting training in this vocational school for helping destitute handicapped women located in the Rawalpindi area to be self-reliant, computer literate and contributing members of society. This property has been provided free of charge by the company with furniture and fittings and the Company bears the cost of utilities and maintenance.

The Company continues to operate and support a Social Security Dispensary on its premises. This caters for workers and their families.

OUTLOOK:

While the country and the world at large are still struggling against the Covid-19 pandemic, the emergence of vaccines is a positive sign for the future. The State Bank of Pakistan has improved its growth outlook for the country, predicting that the national GDP will grow between 1.5% - 2.5% in FY-21. Given the improving economic conditions, stability of interest rates and range bound currency fluctuations, we are hopeful that the Company will secure upcoming opportunities available in the market and aim to improve profit margins in the coming quarters by focusing on core competencies.

APPRECIATION:

The Board would like to record its appreciation of the management team together with the other employees for their work and loyalty to the Company. The Board also extends its gratitude to all business stakeholders, Government Authorities and shareholders for their support in achieving the company's objectives.

ON BEHALF OF THE BOARD



Isphanyar M. Bhandara
Chief Executive Officer



Shahbaz Haider Agha
Director

Rawalpindi 26th February, 2021

قومی خزانے میں معاونت:

آپ کی کمپنی نے 31 دسمبر، 2020 کو ختم شدہ چھ ماہ کے عرصے میں 2,112 ملین روپے ڈیوٹی اور ٹیکسز کی مد میں قومی خزانے میں جمع کروائے ہیں (31 دسمبر، 2019 تک 2,812 ملین روپے)

ادارہ جاتی سماجی ذمہ داری:

مری بروہی کمپنی پاکستان کی قدیم ترین کمپنیوں میں سے ایک ہے اور بطور سوشل کارپوریٹ شہری اپنی ذمہ داری پوری کرتی ہے۔ کمپنی ہمیشہ معاشرتی معاملات میں اصلاحی دلچسپی لیتی ہے جس کا کاروبار سے براہ راست کوئی تعلق نہیں ہوتا اور فلاحی اداروں اور ہسپتالوں کو عطیات دے رہی ہے۔ نصف سال 2020-21ء کے دوران کمپنی نے مختلف فلاحی اداروں کو 2.23 ملین روپے بطور عطیہ دیئے ہیں۔

کمپنی اپنی پراپرٹی کو اسوسی ایشن برائے خصوصی افراد (درخشان) کے استعمال کے لئے جاری رکھے ہوئے ہے۔ راولپنڈی کے علاقے میں معذور ضرورت مند خواتین کو خود مختار، کمپیوٹر کے استعمال اور معاشرے کے کارآمد افراد بنانے کیلئے قائم و کیشنل اسکول میں اس وقت 74 معذور خواتین ٹریننگ حاصل کر رہی ہیں۔ یہ پراپرٹی کمپنی نے فرنچیز اور فننگ کے ساتھ مہیا کی ہے اور اس کے یوٹیلیٹی بلز اور مینٹیننس کی ذمہ داری بھی کمپنی کے ذمہ ہے۔

کمپنی اپنے احاطے میں سوشل سیکورٹی ڈسپنری کو چلاتی اور اس میں تعاون کرتی ہے، جو کہ کمپنی کے کارکنان اور ان کے اہل خانہ کی مدد کے لئے مختص ہے۔

نقطہ نظر:

ہمارا ملک اور دنیا اب بھی ایک بڑے پیمانے پر Covid-19 کی وبا کے خلاف جدوجہد جاری رکھے ہوئے ہیں، اس صورت میں ویکسینز کا ابھرنا مستقبل کے لئے ایک مثبت علامت ہے۔ اسٹیٹ بینک آف پاکستان نے ملک کی ترقی کے حوالے سے اپنا نقطہ نظر بہتر بنایا ہے، جس میں پیش گوئی کی گئی ہے کہ مالی سال 2021 میں قومی GDP 1.5 فیصد سے 2.5 فیصد تک بڑھے گا۔ معاشی حالات میں بہتری، انٹرسٹ ریٹ میں استحکام، اور ریٹج باؤنڈ کرنسی کے اتار چڑھاؤ کو دیکھتے ہوئے ہم پر امید ہیں کہ کمپنی مارکیٹ میں بہتر مواقع حاصل کرنے پر بھرپور نتائج کے ساتھ آنے والے وقت میں بنیادی عوامل پر توجہ دے کر منافع کے مارجن کو بہتر بنائے گی۔

بورڈ کا اعتراف:

بورڈ انتظامی ٹیم کے ہمراہ اپنے ملازمین کے عزم، تعاون اور شراکت کو سراہتا ہے اور ان کا شکر گزار ہے۔ بورڈ کمپنی کے مقاصد کو حاصل کرنے میں تمام کاروباری سٹیک ہولڈرز سرکاری حکام اور حصص داران کے تعاون پر ان کا بھی شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے

شہباز حیدر آغا
ڈائریکٹر

اسغیا رایم چنڈارا
چیف ایگزیکٹو آفیسر

راولپنڈی 26 فروری، 2021

مری بروری کمپنی لمیٹڈ

ڈائریکٹرز کا جائزہ

مری بروری کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2020 کو اختتام پذیر ہونے والی ششماہی کے لئے آڈیٹر کا جائزہ شدہ مالی سٹیٹمنٹ کے ساتھ ساتھ کمپنی کی مالیاتی کارکردگی اور معاملات پر اپنا جائزہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کے پچھلے سال کے مطابقتی عرصے کے تقابل میں چھ مہینوں کے دوران کمپنی کی مالی کارکردگی کا مختصر جائزہ مندرجہ ذیل ہے۔

مالیاتی جائزہ اور اہم نکات:

روپے ملین میں			
5,280 سے 4,742	اضافہ 11.3%	فروخت محصولات (خالص)	
1,428 سے 1,395	اضافہ 2.3%	مجموعی منافع	
842 سے 880	کمی 4.3%	قبل از ٹیکس منافع	
575 سے 589	کمی 2.2%	بعد از ٹیکس منافع	
21.28 روپے سے 20.80 روپے	کمی 2.2%	آمدن فی حصص	

گذشتہ سال کے مقابلے میں 31 دسمبر 2020 کو اختتام پذیر ہونے والے نصف سال کے دوران کمپنی کے منافع میں کمی ہوئی ہے۔

اہم مسائل:

i- گیس انفراسٹرکچر ڈیولپمنٹ سٹیس GIDC:

سپریم کورٹ آف پاکستان نے GIDC کے معاملے کو حل کرتے ہوئے 13 اگست، 2020 کو فیصلہ حکومت کے حق میں دیا ہے۔ فیصلے کے بعد کمپنیوں نے نظر ثانی کے درخواست دائر کی تھی لیکن سپریم کورٹ نے اپنے فیصلے کو قائم رکھا۔ کمپنی پہلے ہی 30 جون 2020 کو GIDC کی مد میں تمام تراخا جات اپنے مالیاتی گوشواروں میں فراہم کر چکی ہے جو اب سپریم کورٹ آف پاکستان کی ہدایت کے مطابق قسطوں میں ادا کی جا رہی ہے۔

ii- تجارتی استعمال کے لئے پانی کے استعمال پر ٹیکس:

سپریم کورٹ آف پاکستان نے سوموٹو اقدام کرتے ہوئے اپنے ارادے کا اظہار کیا تھا کہ بیورٹیج انڈسٹری کو سطح زمین اور زیر زمین پانی کے ایک لیٹر پر ایک روپے کا ٹیکس عائد ہوگا جسے صافین سے وصول نہیں کیا جائے گا۔ یہ جاری کردہ حکم دسمبر 2018ء سے مؤثر اور تمام صنعتوں پر لاگو ہے جو پاکستان میں پانی کا استعمال کرتے ہیں۔ اس کیلئے قواعد اب تک جاری نہیں کیے گئے ہیں۔ بیورٹیج انڈسٹری نے ایک نظر ثانی کی درخواست دائر کر رکھی ہے جو سپریم کورٹ میں زیر سماعت ہے۔

عبوری منافع منقسمہ:

ڈائریکٹرز نے 30 جون، 2021 کو ختم ہونے والے سال کے لئے دوسرے عبوری نقد منافع منقسمہ کا اعلان کیا ہے جو کہ 100 فیصد کی شرح سے یعنی 10 روپے فی حصص ہے یہ عبوری منافع منقسمہ پہلے سے ادا کئے گئے پہلے منافع منقسمہ 50 فیصد کی شرح یعنی 5 روپے فی حصص کے علاوہ ادا کیا جائے گا۔

INDEPENDENT AUDITORS'REVIEW REPORT

To the members of Murree Brewery Company Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Murree Brewery Company Limited as at 31 December 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the three-month period ended 31 December 2020 and 31 December 2019, in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' report is Inam Ullah Kakra



KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

1st March 2021.

Murree Brewery Company Limited

Condensed Interim Statement of Financial Position

As at 31 December 2020

	Note	Un-Audited 31-Dec-20 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)
EQUITY			
Share capital and reserves			
Share capital		276,636	276,636
Capital reserve	4	30,681	30,681
Revenue reserves		7,123,197	6,785,176
Revaluation surplus on property, plant and equipment and ROU asset- net of tax		2,853,979	2,893,179
Total equity		10,284,493	9,985,672
LIABILITIES			
Lease liabilities			
Long term loan	5	3,043	22,561
Employee benefits		118,132	-
Non-current portion of GIDC payable		254,642	267,977
Deferred grant	5.1	67,857	-
Defered tax liability- net		7,400	-
Non-current liabilities		246,705	229,863
Current portion of lease liabilities		697,779	520,401
Current portion of long term loan	5	37,904	89,859
Trade and other payables		196,563	-
Contract liabilities		959,322	1,204,077
Current portion - deferred grant income	5.1	70,992	109,842
Unpaid dividend		19,106	-
Unclaimed dividend		33,304	71,843
Current liabilities		66,322	58,600
Total liabilities		1,383,513	1,534,221
Total equity and liabilities		2,081,292	2,054,622
Total assets		12,365,785	12,040,294
Contingencies and commitments			
The annexed notes 1 to 19 form an integral part of these financial statements.			

6



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

Murree Brewery Company Limited

Condensed Interim Statement of Profit or Loss (unaudited)

For the six month ended 31 December 2020

	Quarter ended 31 December 2020 (Rs.'000)	Quarter ended 31 December 2019 (Rs.'000)	Six months ended 31 December 2020 (Rs.'000)	Six months ended 31 December 2019 (Rs.'000)
NET TURNOVER	2,192,924	2,012,959	5,279,627	4,742,276
COST OF SALES	(1,597,706)	(1,412,835)	(3,851,933)	(3,347,526)
GROSS PROFIT	595,218	600,124	1,427,694	1,394,750
Selling and distribution expenses	(195,419)	(171,888)	(422,984)	(399,725)
Administrative expenses	(119,588)	(136,054)	(225,950)	(258,406)
Other expenses	(33,435)	(27,841)	(72,126)	(66,710)
Other income	21,786	16,220	31,453	38,064
OPERATING PROFIT	268,562	280,561	738,087	707,973
Finance costs	(11,522)	(4,986)	(14,836)	(9,048)
Finance income	67,436	98,365	118,931	181,448
NET FINANCE INCOME	55,914	93,379	104,095	172,400
PROFIT BEFORE TAX	324,476	373,940	842,182	880,373
Income tax expense	(106,236)	(159,980)	(266,725)	(291,708)
PROFIT FOR THE PERIOD	218,240	213,960	575,457	588,665
Earnings per share - basic and diluted (Rupees)	7.89	7.73	20.80	21.28

The annexed notes 1 to 19 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

Murree Brewery Company Limited

Condensed Interim Statement of Comprehensive Income (unaudited)

For the six month ended 31 December 2020

Note	Quarter ended 31 December		Six months ended 31 December	
	2020	2019	2020	2019
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Profit for the period	218,240	213,960	575,457	588,665
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	218,240	213,960	575,457	588,665

The annexed notes 1 to 19 form an integral part of these financial statements.



 CHIEF FINANCIAL OFFICER



 CHIEF EXECUTIVE OFFICER



 DIRECTOR

Murree Brewery Company Limited

Condensed Interim Statement of Changes in Equity (unaudited)

For the six month ended 31 December 2020

	Capital reserves			Revenue reserves			Total equity
	Share capital	Capital reserve	Revaluation surplus on property, plant and equipment - net of tax	General reserve	Contingency reserve	Unappropriated profits	
	(Rs.'000)						
Balance at 30 June 2019 (Audited)	276,636	30,681	2,837,111	327,042	20,000	6,534,489	10,025,959
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	588,665	588,665
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	588,665	588,665
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	(2,742)	-	-	2,742	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax	-	-	(33,599)	-	-	33,599	-
	-	-	(36,341)	-	-	36,341	-
Transaction with the owners of the Company							
Distribution to owners							
Final dividend for the year ended 30 June 2019 (Rs. 10 per share)	-	-	-	-	-	(276,636)	(276,636)
First interim dividend for the year ending 30 June 2020 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
Total distribution to owners	-	-	-	-	-	(414,954)	(414,954)
Balance as at 31 December 2019 (Unaudited)	276,636	30,681	2,800,770	327,042	20,000	6,744,541	10,199,670
Balance at 30 June 2020 (Audited)	276,636	30,681	2,893,179	327,042	20,000	6,438,134	9,985,672
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	575,457	575,457
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	575,457	575,457
Revaluation surplus on property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	(47,010)	-	-	47,010	-
Transferred from revaluation surplus on property, plant and equipment on disposal - net of deferred tax	-	-	7,810	-	-	(7,810)	-
	-	-	(39,200)	-	-	39,200	-
Transactions with the owners of the Company							
Distribution to owners							
Final dividend for the year ended 30 June 2020 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
First interim dividend for the year ending 30 June 2021 (Rs. 5 per share)	-	-	-	-	-	(138,318)	(138,318)
Total distribution to owners	-	-	-	-	-	(276,636)	(276,636)
Balance as at 31 December 2020 (Unaudited)	276,636	30,681	2,853,979	327,042	20,000	6,776,155	10,284,493

The annexed notes 1 to 19 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

Murree Brewery Company Limited

Condensed Interim Statement of Cash Flows (unaudited)

For the six month ended 31 December 2020

CASH FLOWS FROM OPERATING ACTIVITIES	Note	Six months ended	
		31-Dec-20 (Rs.'000)	31-Dec-19 (Rs.'000)
Profit before tax		842,182	880,373
Adjustments for:			
Depreciation / amortization	7	207,953	204,429
Amortisation of right of use asset	8	15,562	-
Employee benefits - charge to profit or loss		35,373	32,809
Provision for Workers' Profit Participation Fund (WPPF)		45,279	47,234
Provision for Workers' Welfare Fund (WWF)		18,111	17,949
Gain on disposal of property, plant and equipment		(5,223)	(2,649)
Reversal of expected credit loss		(1,937)	-
Finance cost		14,837	9,048
Return on deposit accounts		(37,386)	(70,403)
Interest on PIBs		(22,055)	(12,908)
Interest on advances		(152)	(206)
Dividend income		(37,649)	(67,496)
Unrealized gain on re-measurement of short term investments		(14,150)	(23,275)
Deferred grant income	5.1	(7,551)	-
		<u>211,012</u>	<u>134,532</u>
		1,053,194	1,014,905
Change in:			
Inventories		(391,147)	(183,656)
Trade debts		2,845	(52,651)
Advances, prepayments and other receivables		(74,569)	94,145
Trade and other payables		(176,898)	(106,189)
Contract liabilities		(38,850)	(54,376)
		<u>(678,619)</u>	<u>(302,727)</u>
Cash generated from operating activities		374,575	712,178
Finance cost paid		(6,369)	(9,048)
Employee benefits paid		(26,103)	(20,910)
WPPF paid		(35,814)	(88,719)
Taxes paid		(120,279)	(324,292)
Net cash from operating activities		<u>186,009</u>	<u>269,209</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(139,087)	(153,030)
Acquisition of investment property		-	(9,050)
Proceeds from sale of property, plant and equipment		23,597	6,442
Advances for capital expenditures		(6,042)	(34,004)
Long term advances paid		(12,953)	(2,240)
Long term deposits paid		(2,518)	(3,728)
Proceeds from sale of long term investment		-	12,745
Acquisition of investments		(199,129)	(167,140)
Interest received		50,984	72,273
Dividends received		37,649	67,496
Net cash used in investing activities		<u>(247,499)</u>	<u>(210,236)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(63,650)	(38,491)
Receipt of loan		340,285	-
Dividend paid		(307,453)	(474,141)
Net cash used in financing activities		<u>(30,818)</u>	<u>(512,632)</u>
Net decrease in cash and cash equivalents		(92,308)	(453,659)
Cash and cash equivalents at 1 July		<u>1,335,329</u>	<u>1,694,452</u>
Cash and cash equivalents at 31 December	9	<u>1,243,021</u>	<u>1,240,793</u>

The annexed notes 1 to 19 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

1 REPORTING ENTITY

Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Act, 2017) in February 1861 as a public limited company in Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at National Park Road in Rawalpindi, Pakistan.

The Company is principally engaged in the manufacturing of alcoholic beer, Pakistan Made Foreign Liquor (PMFL), non-alcoholic beer, aerated water (non-alcoholic products), juices and food products, mineral water, glass bottles and jars. The Company is presently operating three divisions namely Liquor, Tops and Glass to carry out its principal activities.

2 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these interim financial statements do not include the information that was reported in annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2020. Comparative condensed interim unconsolidated statement of financial position is extracted from the annual audited financial statements for the year ended 30 June 2020, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited interim financial statements for the six months period ended 31 December 2019.

This condensed interim financial information is un-audited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listed companies (Code of Corporate Governance) Regulations, 2019.

3 ACCOUNTING POLICIES AND ESTIMATES

3.1 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2020.

3.2 Accounting Estimates and Judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

	Effective date
- Amendments to IFRS-9, IAS-39, IFRS-7, IFRS-4 and IFRS-16 - Interest rate benchmark reform	1-Jan-21
- Amendments to IFRS-3 Reference to the Conceptual Framework	1-Jan-22
- Amendments to IAS-16 Proceeds before intended use	1-Jan-22
- Amendments to IAS-37 Onerous Contracts - Cost of fulfilling a contract	1-Jan-22
- Amendments to IAS-41, IFRS-9 and IFRS-16 Annual Improvements to IFRS Standards 2018-2020	1-Jan-22
- Amendments to IFRS-4 Expiry date of deferral approach	1-Jan-23
- Amendments to IAS-1 Classification of liabilities as current or non-current and disclosure of accounting policies	1-Jan-23
- Amendments to IAS-8 Definition of accounting estimates	1-Jan-23

		Unaudited 31-Dec-20 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)
4 SHARE CAPITAL			
4.1 Authorised share capital	4.1.1	300,000	300,000

4.1.1 This represents 30,000,000 (30 June 2020: 30,000,000) ordinary shares of Rs. 10 each.

4.2 Issued, subscribed and paid up share capital

	Unaudited 31-Dec-20 Number	Audited 30-Jun-20 Number		Unaudited 31-Dec-20 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)
264,000	264,000		(Ordinary shares of Rs. 10 each)	2,640	2,640
27,399,630	27,399,630		(Ordinary shares of Rs. 10 each, issued as bonus shares)	273,996	273,996
27,663,630	27,663,630			276,636	276,636

5 LONG TERM LOAN

			Unaudited 31-Dec-20 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)
Opening balance			-	-
Receipt of loan			340,285	-
Recognition of deferred government grant	5.1		(34,057)	-
Amortisation for the period			8,467	-
Closing balance	5.2		314,695	-
Non Current			118,132	-
Current			196,563	-
			314,695	-

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

5.1 Recognition of deferred government grant	Note	Unaudited 31-Dec-20 (Rs.'000)	Audited 30-Jun-20 (Rs.'000)
Opening balance		-	-
Additions during the period		34,057	-
Deferred grant income recognised for the period		(7,551)	-
Closing balance	5.2	26,506	-
Non Current		7,400	-
Current		19,106	-
		26,506	-

- 5.2 In an attempt to mitigate the effect of the COVID 19 pandemic, the State Bank of Pakistan ("SBP") introduced "Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns" whereby financing at low markup rates was made available to the entities on the condition of not laying off the workers/employees and payment of salaries and wages of permanent, contractual, daily wagers and outsourced employees from April 2020 to June 2020. The Company obtained long term loan under this scheme from United Bank Limited which is secured by first charge over fixed assets of the Company excluding land and building amounting to Rs 534 million (30 June 2020: Rs Nil). The loan is repayable in 8 equal quarterly installments due from 1 April 2021. Interest chargeable under the refinance scheme is 0.75% per annum. Accordingly, an amount of Rs 34.05 million has been recognised as deferred grant income which represents the difference between the actual loan received and present value of repayments of principal and interest at incremental borrowing rate of the Company i.e. 6 months' KIBOR + 1% per annum. Deferred grant is being amortized over the life of the loan. There were no unfulfilled conditions related to this grant at the reporting date.

6 CONTINGENCIES AND COMMITMENTS

There are no changes in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2020, except for the following:

6.1 CONTINGENCIES:

- 6.1.1 The Company, along-with several other bottling / beverage companies, is contesting the case related to a suo moto notice of the Honorable Supreme Court of Pakistan (case no 26 of 2018) regarding use of ground / surface water. The Company has contested the decision of the Honorable Supreme Court and has filed a review petition through its legal counsel.

Further, the Company had received notice from the Government of Khyber Pakhtunkhwa on account of water charges. The Company had filed writ petition in the Peshawar High Court against recovery of billed amounts. In this respect, the Khyber Pakhtunkhwa Water Act, 2020 was promulgated with effect from 24 July 2020, containing a clause validating the orders issued and actions taken by the Government and its related agencies in relation to water charges prior to 24 July 2020. The Khyber Pakhtunkhwa Water Act, 2020 comes into force in such areas and on such dates as the Irrigation Department with approval of Chief Minister may specify. In the absence of such specification, the Company has recognised liability amounting to Rs. 6.4 million for water consumed at Hattar, Khyber Pakhtunkhwa with effect from 24 July 2020 at the rate of Rs. 0.25 per litre of sales made till 31 December 2020. The Company believes that the validation of the orders and actions of the Government of Khyber Pakhtunkhwa and related agencies prior to 24 July 2020 are not supported by any legislation, and therefore are considered illegal. Accordingly, the Company has not recognised any provision for water consumed prior to enactment of the Khyber Pakhtunkhwa Water Act, 2020. In this respect, the Company is in the process of filing an amended petition before the Peshawar High Court.

Additionally, the Company has obtained legal opinion from its lawyer regarding the applicability of the Punjab Water Act, 2019. According to lawyer of the Company, the Company's plant is situated in the Rawalpindi's cantonment area which is regulated under the Cantonment Act which is silent about any charges on the use of ground/surface water. Accordingly, no provision has been recognised in the books of accounts related to water consumption at the plant of the Company located in District Rawalpindi.

- 6.1.2 With respect to contingency related to sui gas industrial bill as disclosed in note 15.2 to the financial statements for the year ended 30 June 2020, the Supreme Court of Pakistan has upheld the decision of the Lahore High Court which was in favour of the Company.
- 6.1.3 At the reporting date there is no change in the status of the tax contingencies except for the item mentioned at 6.1.4 below. For details, notes 38.3 and 38.4 of the financial statements for the year ended 30 June 2020 are to be referred.
- 6.1.4 On 27 November 2020, the Company received order related to amendment of assessment for the tax year 2019 mainly on account of reconciliation of revenue declared for the purposes of sales tax with revenue as per income tax return. The addition in tax chargeable as per demand amounts to Rs. 539.73 million. The Company has filed an appeal before Commissioner Appeals.

6.2 COMMITMENTS

- 6.2.1 The Company's outstanding Letter of Credit for the import of machinery and inventory items amounted to approximately Rs 49.49 million (30 June 2020 : Rs. 223.13 million).

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

7 PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31 December 2020		
	(Rs. "000)		
	Operating fixed assets	Capital work in progress	Total
Balance at 1 July 2020	5,156,460	760	5,157,220
Additions during the period	160,298	5,402	165,700
Transferred from capital work in progress	69	(69)	-
Disposal during the period	(18,374)	-	(18,374)
Depreciation charge for the period	(207,953)	-	(207,953)
Balance at 31 December 2020	5,090,500	6,093	5,096,593
	Audited 30 June 2020		
	(Rs in "000)		
Balance at 1 July 2019	5,226,194	169,848	5,396,042
Recognition of right of use asset on initial application of IFRS 16	(286,239)	-	(286,239)
Additions during the year	264,418	62,006	326,424
Transfer from right to use asset	7,029	-	7,029
Revaluation surplus	97,177	-	97,177
Transfers from CWIP	231,094	(231,094)	-
Disposal during the year	(4,846)	-	(4,846)
Depreciation charge for the year	(378,367)	-	(378,367)
Balance at 30 June 2020	5,156,460	760	5,157,220

7.1 Additions in and depreciation on property plant & equipment during the half year ended 31 December 2019 amounted to Rs 153.03 million and Rs 204.17 million respectively.

8 RIGHT OF USE ASSETS

	(Unaudited) 31-Dec-20 (Rs in '000)
Balance at 1 July 2020	322,559
Addition during the period	1,396
Depreciation charge for the period	(15,562)
Balance at 31 December 2020	308,393
	(Audited) 30 June 2020 (Rs. 000)
Balance at 1 July 2019	309,243
Additions	7,378
Transfer to property, plant and equipment - owned	(7,029)
Revaluation surplus	57,252
Disposal	(1,152)
Depreciation charge for the period	(43,133)
Balance at 30 June 2020	322,559

9 CASH AND BANK BALANCES

Note	(Unaudited) 31-Dec-20 (Rs in '000)	(Audited) 30-Jun-20 (Rs in '000)
	Cash in hand	5,924
Banking instrument in hand	100,000	60,000
Cash at banks :		
- in local currency current accounts	496,729	608,328
- in local currency deposit accounts	638,457	656,134
- in foreign currency deposit accounts	1,911	1,865
	1,137,097	1,266,327
	1,243,021	1,335,329

9.1 Profit on local currency deposit accounts ranges from 5.75% to 12.62% (30 June 2020: 6.5% to 12.62%) per annum respectively.

9.2 This carries interest rate of 0.35% (30 June 2020: 0.25%) per annum.

9.3 There is no change in financing facilities from those as disclosed in the financial statements for the year ended 30 June 2020.

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

		Six months ended	
		(Unaudited) 31-Dec-20 (Rs '000)	(Unaudited) 31-Dec-19 (Rs '000)
10	COST OF SALES	Note	
	Raw material consumed	10.1	3,715,342
	Stores and spares consumed		3,351,795
	Fuel and power consumed		80,459
	Salaries and wages		70,007
	Repair and maintenance		380,825
	Depreciation		378,413
	Cost to fulfill a contract - transportation		291,987
	Other manufacturing overheads		282,709
			45,014
			84,025
			202,708
			183,953
			123,751
			104,014
			31,269
			39,522
			4,871,355
			4,494,438
	Work in process:		
	Work in process - opening		250,380
	Work in process - closing		(274,036)
			(208,009)
			(23,656)
			(6,733)
	Cost of goods manufactured		4,847,699
			4,487,705
	Finished goods:		
	Finished goods - opening		304,686
	Finished goods - closing		(301,467)
			152,672
			(283,453)
			3,219
			(130,781)
	Less: Inter division transfers		(998,985)
			(1,009,398)
			3,851,933
			3,347,526
10.1	Raw material consumed		
	Opening stock		1,015,185
	Purchases		4,181,137
			1,057,072
			3,330,018
			5,196,322
			4,387,090
	Less : Closing stock		(1,480,980)
			(1,035,295)
			3,715,342
			3,351,795
11	EARNING PER SHARE - BASIC AND DILUTED	Quarter ended 31 December	Six months ended 31 December
		(Unaudited)	(Unaudited)
		2020	2019
	Net Profit for the period - Rupees in ('000)	218,240	213,960
		575,457	588,665
	Weighted average number of shares - Number	27,663,630	27,663,630
		27,663,630	27,663,630
	Earning per share - Rupees	7.89	7.73
		20.80	21.28
11.1	There is no dilutive effect on the basic earnings per share of the Company as at 31 December 2020.		

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

12 Segment information

12.1 Information about reportable segments

The detail of utilization of the Company's assets by the divisions as well as related liabilities is as follows:

	Liquor division (Rs. '000)	Glass division (Rs. '000)	Tops division (Rs. '000)	Corporate Office (Rs. '000)	Total (Rs. '000)
a. For the six months ended					
31 December 2020					
Third party turnover - net	5,452,222	158,118	1,661,077	-	7,271,417
Inter-segment turnover	266,242	706,684	26,059	-	998,985
Segment profit / (loss) before tax	625,285	208,856	(70,217)	78,258	842,182
31 December 2019					
Third party turnover - net	5,574,697	67,923	1,587,563	-	7,230,183
Inter-segment turnover	238,659	758,072	12,656	-	1,009,387
Segment profit / (loss) before tax	630,979	227,838	(131,246)	152,802	880,373
b. Assets					
31 December 2020 (unaudited)	6,840,205	782,232	2,046,685	2,696,664	12,365,785
30 June 2020 (audited)	6,358,441	779,857	2,273,840	2,628,156	12,040,294
c. Liabilities					
31 December 2020 (unaudited)	927,855	270,608	442,002	440,827	2,081,292
30 June 2020 (audited)	1,089,397	313,222	383,797	268,206	2,054,622
d. Additions to					
Property, plant and equipment					
Six months ended 31 December 2020 (unaudited)	143,048	-	22,652	-	165,700
Year ended 30 June 2020 (audited)	294,375	130,424	70,713	-	495,512
Right of use asset					
Six months ended 31 December 2020 (unaudited)	-	1,396	-	-	1,396
Year ended 30 June 2020 (audited)	3,733	3,645	-	-	7,378
e. Other income					
Six months ended 31 December 2020 (unaudited)	-	-	-	31,453	31,453
Six months ended 31 December 2019 (unaudited)	-	-	-	38,064	38,064
f. Net finance income					
Six months ended 31 December 2020 (unaudited)	(10,447)	(413)	(3,976)	118,931	104,095
Six months ended 31 December 2019 (unaudited)	(1,990)	(57)	(7,001)	181,448	172,400
g. Depreciation					
Six months ended 31 December 2020 (unaudited)	82,316	76,698	48,939	-	207,953
Six months ended 31 December 2019 (unaudited)	74,759	69,933	59,477	-	204,169

12.2 Reconciliation of reportable segment profit or loss

	Six months ended 31 December	
	2020 (Unaudited) (Rs. '000)	2019 (Unaudited) (Rs. '000)
Total profit before tax for reportable segments	763,924	727,571
Unallocated amount - other expenses	(72,126)	(66,710)
Unallocated amounts - other income	31,453	38,064
Unallocated amounts - finance income	118,931	181,448
Net profit before tax	842,182	880,373

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

	Note	Six months ended				
		Liquor (Rs '000)	Glass (Rs '000)	Tops (Rs '000)	(Unaudited) 31-Dec-20 (Rs '000)	(Unaudited) 31-Dec-19 (Rs '000)
12.4 COST OF SALES						
Raw material consumed	12.5	2,596,354	222,257	896,731	3,715,342	3,351,795
Stores and spares consumed		29,323	41,207	9,929	80,459	70,007
Fuel and power consumed		130,151	220,417	30,257	380,825	378,413
Salaries and wages		164,031	57,426	70,530	291,987	282,709
Repair and maintenance		15,910	18,653	10,451	45,014	84,025
Depreciation		73,135	75,900	53,673	202,708	183,953
Cost to fulfill a contract - transportation		81,028	-	42,723	123,751	104,014
Other manufacturing overheads		11,817	9,328	10,124	31,269	39,522
		3,101,749	645,188	1,124,418	4,871,355	4,494,438
Work in process:						
Work in process - opening		224,012	1,445	24,923	250,380	201,276
Work in process - closing		(218,904)	(1,445)	(53,687)	(274,036)	(208,009)
		5,108	-	(28,764)	(23,656)	(6,733)
Cost of goods manufactured		3,106,857	645,188	1,095,654	4,847,699	4,487,705
Finished goods:						
Finished goods - opening		121,272	90,000	93,414	304,686	152,672
Finished goods - closing		(87,837)	(130,008)	(83,622)	(301,467)	(283,453)
		33,435	(40,008)	9,792	3,219	(130,781)
Less: Inter division cost		(700,415)	-	(298,570)	(998,985)	(1,009,398)
		2,439,877	605,180	806,876	3,851,933	3,347,526
12.5 Raw material consumed						
Opening stock		654,554	19,786	340,845	1,015,185	1,057,072
Purchases		2,929,035	227,301	1,024,801	4,181,137	3,330,018
		3,583,589	247,087	1,365,646	5,196,322	4,387,090
Less : Closing stock		(987,235)	(24,830)	(468,915)	(1,480,980)	(1,035,295)
		2,596,354	222,257	896,731	3,715,342	3,351,795

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

13 Transaction with related parties

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel. The transactions and balances as of this reporting date with the related parties are disclosed as follows:

Name of related party	Nature of relationship	Percentage of share holding	Nature of transaction during the year	Six months ended 31 December	
				(Unaudited)	(Unaudited)
				2020 (Rs.'000)	2019 (Rs.'000)
1) D.P. Edulji & Company (Private) Ltd	Associated Company on account of common directorship	17.69	Sales commission Services acquired Dividend	62,263 8,100 48,930	67,873 7,500 70,094
2) Kingsway Fund	Associated Company	24.06	Dividend	67,399	162,097
3) Board of Directors	Directors	20.3	Dividend	56,157	84,194
4) Directors' relatives	Directors' relatives	15.17	Dividend	74,217	59,737
5) Staff retirement plan - Provident fund	Staff retirement funds	Nil	Contribution by the Company	4,292	3,856
6) Staff retirement plan - Pension fund	Staff retirement funds	Nil	Contribution by the Company	2,898	2,466
7) Bhandara Foundation	Chief Executive Officer acts as a Trustee	Nil	Contribution by the Company	1,500	1,500

- 13.1 The aggregate amounts charged for the remuneration including benefits and perquisites to Chief Executive Officer and Executives for the period amounted to Rs 4.20 million and Rs 24.99 million (31 December 2019: Rs. 6.8 million and Rs. 17 million) respectively. Further, free furnished accommodation has been provided to the Chief Executive Officer and certain executives. Company maintained vehicles have also been provided to the Chief Executive Officer and certain executives; the carrying values of which amounted to Rs. 8.43 million at the reporting date. (31 December 2019: Rs.12.89 million).

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

14 FINANCIAL INSTRUMENTS

A FAIR VALUES

14.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

On-balance sheet financial instruments

	Fair value through profit or loss	Carrying amount		Total	Fair value		
		Amortized cost	Financial liabilities at amortized cost		Level 1	Level 2	Level 3
		(Rs.'000)			(Rs.'000)		
31 December 2020 - Unaudited							
Financial assets measured at fair value							
Shares of listed companies	6	-	-	6	6	-	6
Mutual funds	1,922,372	-	-	1,922,372	1,922,372	-	1,922,372
	1,922,372	-	-	1,922,372	1,922,372	-	1,922,372
Financial assets not measured at fair value							
Long term advances	-	9,010	-	9,010	-	-	-
Long term investments	-	516,454	-	516,454	-	516,454	516,454
Long term deposits	37,957	-	-	37,957	-	-	-
Trade debts	-	23,081	-	23,081	-	-	-
Advances and other receivables	-	257,867	-	257,867	-	-	-
Cash and bank balances	-	1,243,021	-	1,243,021	-	-	-
	37,957	2,049,433	-	2,087,390	-	516,454	516,454
Financial liabilities not measured at fair value							
Lease liabilities	-	-	40,947	40,947	-	-	-
Trade and other payables	-	-	637,567	637,567	-	-	-
Unpaid dividend	-	-	33,304	33,304	-	-	-
Unclaimed dividend	-	-	66,322	66,322	-	-	-
	-	-	778,140	778,140	-	-	-

Murree Brewery Company Limited

Notes to the condensed interim financial information (unaudited)

For the six month ended 31 December 2020

On-balance sheet financial instruments	Carrying amount		Fair value				
	Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
	(Rs. '000)	(Rs. '000)	(Rs. '000)				(Rs. '000)
30 June 2020 - Audited							
Financial assets measured at fair value							
Shares of listed companies	6	-	6	6	-	-	6
Mutual funds	1,672,957	-	1,672,957	1,672,957	-	-	1,672,957
	1,672,963	-	1,672,963	1,672,963	-	-	1,672,963
Financial assets not measured at fair value							
Long term advances	-	17,086	17,086	-	-	-	-
Long term investments	-	517,473	517,473	-	506,927	-	506,927
Long term deposits	35,754	-	35,754	-	-	-	-
Investments in TDR-USD	-	50,280	50,280	-	-	-	-
Trade debts	-	25,926	25,926	-	-	-	-
Advances and other receivables	-	15,513	15,513	-	-	-	-
Cash and bank balances	-	1,335,329	1,335,329	-	-	-	-
	35,754	1,961,608	1,997,362	-	506,927	-	506,927
Financial liabilities not measured at fair value							
Lease liabilities	14.4	-	112,420	-	-	-	-
Trade and other payables	14.3 & 14.4	-	913,376	-	-	-	-
Unpaid dividend	14.4	-	71,843	-	-	-	-
Unclaimed dividend	14.4	-	58,600	-	-	-	-
	-	-	1,156,239	-	-	-	-

14.2 It excludes advances to suppliers and prepayments.

14.3 It excludes contract liabilities, withholding tax payable, sales tax payable, excise duty payable, export duty payable on PMFL and beer, unearned income, Worker's Welfare Fund (WWF) and Zila tax payable.

14.4 The Company has not disclosed the fair values for these financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Murree Brewery Company Limited

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For the six month ended 31 December 2020

15 CORRESPONDING FIGURES

Corresponding figures have been reclassified for the purposes of comparison and better presentation. These reclassifications have no impact on previously reported profit or equity.

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unaudited financial statements was approved by the Board of Directors of the Company in their meeting held on 26 February 2021.

17 IMPACT OF COVID 19

On 30 January 2020, the World Health Organization (WHO) declared the outbreak a “Public Health Emergency of International Concern” and on 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, have taken stringent steps to help contain further spread of the virus. Certain industries were directly affected by the Covid-19, including hospitality industry. Accordingly, sales of P.M.F.L and Beer were completely closed from 24 March 2020 to 28 May 2020, whereas sales of TOPs division declined in March and April 2020 which later on recovered in May and June 2020. While events and conditions related to Covid-19 have resulted in general economic uncertainty, management has evaluated the impact of COVID-19 and concluded that although there were temporary implications of COVID-19 on the operations of the Company as explained above. Any adverse implications were neither observed during the six months ended 31 December 2020 nor are these expected in the long term. Further, COVID-19 has no material impact on the presented amounts and disclosures in these financial statements.

18 NON ADJUSTING EVENTS AFTER REPORTING DATE

- 18.1 The Board of Directors in their meeting held on 26 February 2021 has declared an interim cash dividend @ 100% (i.e. Rs 10 per share) for the year ending 30 June 2021.

19 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

BOOK POST
PRINTED MATTER



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